



## **Agricultural Marketing Service**

### **7 CFR Part 870**

**[Doc. No. AMS-FTPP-25-0683]**

**RIN 0581-AE48**

### **Economic Adjustment Assistance for Textile Mills – Payment Rate**

**AGENCY:** Agricultural Marketing Service (AMS), USDA.

**ACTION:** Final rule.

**SUMMARY:** The Economic Adjustment Assistance for Textile Mills (EAATM) program provides qualified domestic users of upland cotton financial assistance that can be used to acquire, construct, install, modernize, develop, convert, or expand land, plant, buildings, equipment, facilities, or machinery used in the manufacture of final cotton products. Under the program, the Commodity Credit Corporation (CCC) makes payments to eligible domestic users who have entered into an Upland Cotton Domestic User Agreement with AMS to participate in the EAATM. In this final rule, AMS is revising the payment rate from three cents per pound to five cents per pound, applicable August 1, 2025, as provided for in the One Big Beautiful Bill Act (OBBBA).

**DATES:** *Effective:* This final rule is effective [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

*Applicable:* This final rule is applicable August 1, 2025.

**FOR FURTHER INFORMATION CONTACT:** Ian Edmonds, Deputy Director, Warehouse and Commodity Management Division, Fair Trade Practices Program, AMS, USDA; telephone: (816) 926-6638; email: [ian.edmonds@usda.gov](mailto:ian.edmonds@usda.gov).

**SUPPLEMENTARY INFORMATION:** Section 10311 of OBBBA (Pub. L. 119-21) increases the EAATM payment rate to five cents per pound beginning on August 1, 2025. Accordingly, AMS is revising 7 CFR 870.9(a) to reflect this change.

Section 1207(c) of the Food, Conservation, and Energy Act of 2008 (Pub. L. 110-234) directed the Secretary of Agriculture to provide economic adjustment assistance to domestic users of upland cotton. The EAATM program was initially authorized with a payment rate of four cents per pound, which was reduced effective August 1, 2013, to three cents per pound. EAATM was further authorized in the Agricultural Act of 2014 (Pub. L. 113-79), and the Agricultural Improvement Act of 2018 (Pub. L. 115-334) changed the name of the program to “The Economic Adjustment Assistance for Textile Mills” or “EAATM”. No payment rate changes have been enacted until passage of the OBBBA.

The Commodity Credit Corporation is authorized to make EAATM payments to eligible participants. Eligible participants are domestic users who are regularly engaged in the business of opening bales of eligible upland cotton for the purpose of spinning such cotton into yarn, papermaking, or production of non-woven cotton products.

#### **Justification for Final Rule and Immediate Effective Date**

The EAATM program is authorized under title I of the Agricultural Act of 2014 (7 U.S.C. 9037(c)). As such, regulations for EAATM are without regard to the notice and comment provisions of the Administrative Procedure Act at 5 U.S.C. 553 (see 7 U.S.C. 9091(c)(2)(A)). Further, AMS finds there is good cause for making this final rule effective immediately. Under the OBBBA, the payment rate change was effective August 1, 2025; this final rule merely updates the text of the implementing regulation to align with the statute.

#### **Paperwork Reduction Act**

The EAATM program is exempt from the requirements of the Paperwork Reduction Act at 44 U.S.C. chapter 35 (see 7 U.S.C. 9091(c)(2)(B)).

#### **Regulatory Flexibility Act**

Pursuant to the requirements set forth in the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*), AMS considered the economic impact of the action on small entities, and, accordingly, prepared this Regulatory Flexibility Analysis (RFA). AMS concluded this rule will not have a significant impact on small entities, and to the extent it may create a burden, the program is voluntary, and the impacts are economically advantageous.

The purpose of the Regulatory Flexibility Act is to fit regulatory actions to the scale of businesses subject to such actions so that small businesses will not be unduly or disproportionately burdened. AMS certifies that this rule will not have a significant economic impact or burden on small textile mill entities. In making this determination, AMS considered the current and possible participant base of the EAATM program and the nature of this action. The EAATM program is authorized by various “Farm Bills:” first in 2008 (Food, Conservation, and Energy Act (Pub. L. 110-246)) and reauthorized in 2014 (Agricultural Act of 2014 (Pub. L. 113-79)); in 2018 (Agriculture Improvement Act of 2018 (Pub. L. 115-334)); and again in 2025 (One Big Beautiful Bill Act (Pub. L. 119-21)). This program is funded through the Commodity Credit Corporation with administrative oversight and operational authority delegated to the Agricultural Marketing Service.

In conducting its analysis, AMS used the Small Business Administration’s (SBA) definition of “small business” applicable to textile mills, found at 13 CFR 121.201. The affected industry falls under the North American Industry Classification System (NAICS) as Subsector 313, with most current participants classified as code 313110 - Textile Mills, Fiber, Yarn, and Thread Mills. This classification includes firms that process raw cotton into cotton products. SBA determines firm size for this industry by number of employees, but on a per firm basis, with “small firms” defined as having fewer than 1,500 employees. The EAATM program has fewer than 30 participants, and AMS does not anticipate any surge in participation due to this action. Current participants of the

EAATM program are required to be registered with the System for Awards Management, however none of the current participants appear to have the small business registration denoted on the entity profile. EAATM participants do not disclose the number of employees in the agreements or applications submitted to CCC but based on familiarity with the industry and information from SBA's Dynamic Small Business Search Database, AMS estimates that 21 out of the 23 current participants can be considered "small entities."

In analyzing the current economic impact on small entities, AMS could only deduce positive economic impact based on rate of eligible consumption. That is, this program does not impose new regulations on textile mills; rather, it is designed to provide them with economic assistance. Small textile mill participants in the EAATM program will not be unduly or disproportionately burdened. Textile mills of all sizes benefit proportionately from the program, as it provides a payment per pound of cotton consumed to encourage domestic consumption of cotton. This action merely increases the payment rate from \$0.03 to \$0.05 per pound of eligible consumption and does not impose any new requirements.

The definition of an eligible participant in reference to the EAATM program is someone regularly engaged in opening bales of eligible upland cotton for the purposes of spinning cotton into yarn, paper making, or production of non-woven cotton products in the United States, and who has entered into an agreement with the CCC to participate in the upland cotton user program. Participants may be public or private nonprofit entities. All entities that meet the program's definition of "eligible domestic user" and submit a monthly application indicating consumed bales of upland cotton, regardless of size, can voluntarily participate and benefit from the EAATM program. The application asks only for information that is part of normal business records. Program provisions are administered without regard for business size. The information collection burden for

eligible participants is minimal as they must only complete the domestic user agreement with the textile mill's monthly consumption report. The voluntary nature of the program allows any eligible participant to stop participating if they find program participation causes an undue or disproportionate burden.

#### **Executive Order 12866**

The Office of Management and Budget (OMB) designated this rule as not significant under Executive Order 12866, "Regulatory Planning and Review." Therefore, OMB has not reviewed this rule.

#### **Executive Order 12988**

This final rule was reviewed under Executive Order 12988, "Civil Justice Reform." This rule will not preempt State or local laws, regulations, or policies unless they represent an irreconcilable conflict with this rule. The final rule is not intended to have retroactive effect. Before any judicial actions may be brought regarding the provisions of this rule, administrative appeal provisions of 7 CFR parts 11 and 780 must be exhausted.

#### **Executive Order 13175**

This final rule was reviewed under Executive Order 13175, "Consultation and Coordination with Indian Tribal Governments," which requires agencies to consider whether their rulemaking actions have Tribal implications. AMS has determined that this final rule is unlikely to have substantial direct effects on one or more Indian Tribes, on the relationship between the Federal Government and Indian Tribes, or on the distribution of power and responsibilities between the Federal Government and Indian Tribes.

#### **E-Government Act**

USDA is committed to complying with the E-Government Act (44 U.S.C. 3601 *et seq.*) by promoting the use of the internet and other information technologies to provide

increased opportunities for citizen access to Government information and services, and for other purposes.

**List of Subjects in 7 CFR Part 870**

Agricultural commodities, Cotton, Reporting and recordkeeping requirements.

For the reasons set forth in the preamble, AMS amends 7 CFR part 870 as follows:

**PART 870—ECONOMIC ADJUSTMENT ASSISTANCE FOR TEXTILE MILLS**

1. The authority citation for part 870 continues to read as follows:

**Authority:** 7 U.S.C. 9037(c).

**§ 870.9 [Amended]**

2. Amend § 870.9(a) by removing the number “3” and adding the number “5” in its place.

**Melissa Bailey,**  
*Associate Administrator,*  
*Agricultural Marketing Service.*

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